

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION SUB COMMITTEE ON TAXATION ON SB 407

Call to Order: By **SEN. MIKE TAYLOR**, on March 12, 2003 at 11:10 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor (R) Chairman
Sen. Walter McNutt (R)
Sen. Jon Ellingson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Shirley Herrin, Committee Secretary

Others Present: Dan Dodds, Dept. of Revenue
Larry Finch, Dept. of Revenue

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Discussion On: SB 407

Larry Finch, Dept of Revenue, handed out **EXHIBIT(tas52b01)**- SB 407 Alternative Tax Reform Proposal - Summary Impacts by Filertype - TY2005.

The committee discussed the proposal at length with **Mr. Finch** responding to their questions.

SEN. WALT MCNUTT moved to accept the Alternative Tax Reform Proposal to SB 407. The motion carried unanimously.

After a brief discussion **SEN. MCNUTT** moved to increase the accomodation tax to 5%. The motion carried unanimously.

SEN. MCNUTT then moved to increase the rental car tax from 4% to 9%. The motion carried unanimously.

SEN. MCNUTT moved a 4% tax on alcoholic beverage sold by the drink. Motion carried with MCNUTT and TAYLOR voting aye and ELLINGSON voting no.

SEN. MCNUTT moved to tax recreational admissions, the motion carried unanimously.

SEN. MCNUTT then moved to tax sporting goods rental, the motion carried with MCNUTT and TAYLOR voting aye and ELLINGSON voting no.

SEN. MCNUTT moved do pass on tobacco products. CHAIRMAN TAYLOR stated he would like to look at moist tobacco products. The motion carried unanimously.

SEN. MCNUTT moved to tax cigarettes at 52 cents a package. The motion carried unanimously.

A discussion was held on the capital gains tax. SEN. MCNUTT moved to drop it to 4.9% in 2006. The motion carried with MCNUTT and TAYLOR voting aye and ELLINGSON voting no.

SEN. MCNUTT moved DO PASS on SB 407. He then withdrew his motion. SEN. ELLINGSON moved an amendment to SB 407 that would incorporate the Big Box Tax. SEN. ELLINGSON expressed his reasons for wanting to include the tax in SB407. The motion failed with SEN. ELLINGSON voting aye and SEN. MCNUTT AND SEN. TAYLOR voting no.

SEN. MCNUTT moved to adopt SB 407 as revised in whole. The motion carried with MCNUTT and TAYLOR voting aye and ELLINGSON voting no.

ADJOURNMENT

Adjournment: 12:05 P.M.

SEN. MIKE TAYLOR, Chairman

SHIRLEY HERRIN, Secretary

BD/SH